

- **Tariffed** - Services such as Special Service Arrangement Requests (SSAR), Customer Specific Proposals (CSP), and Individual Case Basis (ICB) agreements that will eventually be filed with the FCC under special tariff. (Normally, these tariffed agreements do not require the preparation of the SW-1161. However, if contracts are entered into on a trial basis prior to the decision to establish the service under tariff, a classification form must be completed.)
  - **Detariffed** - Services that were once provided under tariff and are no longer tariffed by either the FCC and/or state regulatory bodies.
  - **Miscellaneous** - All contracts that are not described in a previous category.
  - **Other** - This space may be used to provide additional classification information that may be helpful for future use in administering contracts or to establish a new contract category.
- P. The contract identifier will be assigned by the Contract Coordinator at a later date if needed for administrative purposes.
- Q. After the SW-1161 has been concurred in, the Contract Coordinator must sign and date the form and forward the form with a copy of the contract to the Legal Department.
- R. All contracts for provision of services, products or other Activities that are not fully Tariffed should be reviewed by the Legal Department.

**PROPRIETARY**

Not for use or disclosure outside Southwestern Bell Telephone Company except under written agreement.

**Distribution of the Concurred-In SW-1161 Form**

When Form SW-1161 has been reviewed and signed by the Legal Department, the Contract Coordinator should retain a copy for filing and the original should be returned to the originator (item J). The copy of the contract that was attached to the original Form SW-1161 will be maintained in file by the Contract Coordinator.

**PROPRIETARY**

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Telephone Company except under written agreement.

Southwestern Bell Telephone Company  
Operating Practice 125  
Nontariffed Activities and Affiliate Transactions

Attachment 2  
Page 1  
March 1995

## CONTRACT COORDINATOR

For Nontariffed contracts, the general coordination with all departments is in the organization of the District Manager-State Regulatory Issues.

Bruce O. Kirk

Area Manager-Affiliate Transactions  
314-235-4887  
38-S-05  
One Bell Center  
St. Louis, MO 63101

**PROPRIETARY**

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Telephone Company except under written agreement.

**OTHER DEPARTMENTAL CONTACTS**

<b>Marketing Assessment Address:</b>	<b>Regional Manager-Product Development One Bell Center, 13-Y-02 St. Louis, Missouri 63101 (314) 235-1830</b>
<b>Cost Studies Request Address:</b>	<b>Area Manager-Cost Analysis One Bell Center, 37-W-08 St. Louis, Missouri 63101 (314) 235-0287</b>
<b>Cost Studies Contact:</b>	<b>Manager-Cost Analysis One Bell Center, 37-X-01 St. Louis, Missouri 63101 (314) 235-0281</b>
<b>Cost Allocation Manual Contact:</b>	<b>Area Manager-Nonregulated Accounting One Bell Center, 33-D-07 St. Louis, Missouri 63101 (314) 235-4828</b>
<b>Accounting Classifications Contact:</b>	<b>Area Manager-Accounting Classifications One Bell Center, 27-E-08 St. Louis, Missouri 63101 (314) 235-4791</b>

**PROPRIETARY**

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Telephone Company except under written agreement.**

<b>Affiliate Services Contact:</b>	<b>Area Manager-Affiliate Services</b> One Bell Center, 38-T-08 St. Louis, Missouri 63101 (314) 235-9559
<b>Affiliate Transactions Rules Contact:</b>	<b>Area Manager-Affiliate Transactions</b> One Bell Center, 38-S-05 St. Louis, Missouri 63101 (314) 235-4887
<b>Separations Contact:</b>	<b>Area Manager-Separations</b> One Bell Center, 31-G-07 St. Louis, Missouri 63101 (314) 235-8139
<b>In-Place Plant Purchases and Sales Contact:</b>	<b>Area Manager-Valuation</b> One Bell Center, 33-U-07 St. Louis, Missouri 63101 (314) 235-8062
<b>Procurement Contact:</b>	<b>Area Manager-Regulatory Matters &amp;</b> One Bell Center, 36-T-08 St. Louis, Missouri 63101 (314) 235-6680

**PROPRIETARY**

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Telephone Company except under written agreement.

Incidental Activities Listed in the Cost Allocation Manual

<u>Description</u>	<u>Contract Administrator</u>
1. Listing service of telephone numbers and addresses supplied by mail.	Ms. Coral Smith Manager-Product Management One Bell Center, 8-W-02 St. Louis, MO 63101 (314) 235-9492
2. Specialized search list service.	Mr. Bob Dye Manager-Product Management One Bell Center, 8-Y-03 St. Louis, MO 63101 (314) 235-1620
3. Subscriber listing service for telephone directory publishers.	Ms. Pat Miget Manager-Product Support One Bell Center, 12-J-04 St. Louis, MO 63101 (314) 235-8507
4. Bill insert services.	Mr. Dick Oxler District Manager-Business Services Manager One Bell Center, 7-D-07 St. Louis, MO 63101 (314) 235-2039
5. Coordination services.	Mr. Bill Carney Area Manager-Business Marketing Analysis One Bell Center, 8-T-04 St. Louis, MO 63101 (314) 235-9365

PROPRIETARY

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Telephone Company except under written agreement.

<u>Description</u>	<u>Contract Administrator</u>
6. Leasing of surplus space on Southwestern Bell premises.	Ms. Martha Hinjosa-Nadler Regional Manager-Real Estate Management One Bell Plaza, Rm. 3631 Dallas, TX 75202 (214) 464-7553
7. Administrative Services related to the Telephone Pioneers of America.	Ms. Sharon Fee Area Manager-Regional Pioneer Assistant One Bell Center, Rm. 241 St. Louis, MO 63101 (314) 235-9430
8. Provision of WATS call detail on magnetic tape for customer analysis.	Ms. Linda Countryman Area Manager-Business Product Management-General Accounts One Bell Center, 8-L-01 St. Louis, MO 63101 (314) 235-9496
9. Conduit and pole contact leasing.	Mr. Les Bolhofner Area Manager-Engineering One Bell Center, 15-D-08 St. Louis, MO 63101 (314) 235-2832

**PROPRIETARY**

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Telephone Company except under written agreement.

<u>Description</u>	<u>Contract Administrator</u>
10. Provision of intellectual property rights developed for Southwestern Bell's use.	Educational Material: Ms. Kathy Falkner Manager-Education Advanced Education Center 6301 Colwell Blvd., Room 250 Irving, TX 75039 (214) 402-2470  All Other: Mr. Fred Franklin Contract Manager 500 N. Broadway, Rm. 910 St. Louis, MO 63102 (314) 235-7866
11. Provision of software developed for Southwestern Bell's use.	Mr. Robert Stephens Area Manager-Software Services 1010 Pine, 13-E-18 St. Louis, MO 63101 (314) 235-9374
12. Sale of spare seats or course materials in training courses.	Ms. Janet Guja Process Specialist-Information Services Technical Education Center One Bell Center, 21-J-07 St. Louis, MO 63101 (314) 235-2318  Ms. Kathy Falkner Manager-Education Advanced Education Center 6301 Colwell Blvd., Rm. 250 Irving, TX 75039 (214) 402-2470

PROPRIETARY

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Telephone Company except under written agreement.



<u>Description</u>	<u>Contract Administrator</u>
13. Use of existing force with available time to perform traditional telephone company	Mr. Tim Bonno Manager-NSEP Operations 14780 Manchester Road, Ballwin, MO 63011 (314) 247-5912
14. Loan of personnel to other utility companies in an emergency situation.	Mr. Tim Bonno Manager-NSEP Operations 14780 Manchester Road, Basement Ballwin, MO 63011 (314) 247-5912
15. Licensing Space For Telephone Booth Advertising	Ms. Aimee Fite Associate Director-Public Comm. 1010 N. St. Mary's - Rm. 904 San Antonio, TX 78215 (210) 351-7830

**PROPRIETARY**

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Telephone Company except under written agreement.

**AFFILIATE BILLING**  
**CONTRACT ADMINISTRATOR GUIDE**

**BILLING FOR SERVICES PERFORMED BY SOUTHWESTERN BELL TELEPHONE  
FOR AFFILIATED COMPANIES**

**Table of Contents**

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**SUMMARY OF CHANGES**

This guide has been revised to include supplement form SW-2681, Attachment I, which is used for Schedules 75, 77 and 94 only to report the Affiliate Billing Data Monthly Units by market areas. Also included is note\*\* (bottom of Section 1, page 2), which is a reminder that forms SW-2680, SW-2681 and Supplement SW-2681T all have a retention period of 10 years, according to the August 1994 Operating Practice 47. Therefore, all backup documentation associated with these forms must also be retained for the 10-year period.

Questions may be referred to Victoria Y. Foster at (314) 235-4931.

**PROPRIETARY**

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Telephone Company except under written agreement.

## GENERAL

Effective January 1, 1984, Southwestern Bell Telephone Company (SWBT) began offering services to its affiliated companies. These services are provided under contract and billing is rendered according to contract terms. Establishment of billing terms and ongoing billing responsibilities are as follows:

### **Area Manager-Affiliate Services** **Manager-Affiliate Services**

1. Coordinates overall pricing, costing and data provision effort related to each contract.
2. Determines price of new services.
3. Prepares contracts and arranges for legal review and authorization by appropriate organizations.
4. Provides the Manager-Affiliate Billing and Contract Administrators with signed contracts and notification of any changes that occur.
5. Handles customer contacts.
6. Coordinates with the Contract Administrator and/or affiliate to assure the judicious application of late payment charges.

### **Contract Administrator\***

1. Initiates Forms SW-2680,\*\* Affiliate Billing Data, for each contract (schedule and addendum). Sends these forms to the Manager-Affiliate Billing at the beginning of the contract period (no later than January 15 of the year in which the contract is to be effective) and as changes in the contract occur. This form must be received by the Manager-Affiliate Billing no later than the 1st workday of the month in which new rates or revenue distribution is to be effective. For example, if billing is to appear on the June bills, Form(s) SW-2680\*\* should be received by the Manager-Affiliate Billing by June 1.

NOTE: \*It is suggested that this position be occupied by a management employee.

\*\* Forms SW-2680, SW-2681 and SW-2681T all have a retention period of 10 years according to the August 1994 Operating Practice 47. Therefore, all backup documentation associated with these forms must also be retained the 10-year period.

## **PROPRIETARY**

**Contract Administrator (cont'd.)**

2. Determines source(s) for all units data and arranges to have the source(s) send the data to them. Provides all the summarized data to the Manager-Affiliate Billing on Form SW-2681, \*\* Affiliate Billing Data - Monthly Units, and, if applicable, Form SW-2681T, \*\* Affiliate Billing Tax Data, by the 15th calendar day of the month in which units are to be billed.
3. Evaluates the accuracy of units data and performs a reasonableness check of amounts to be billed for each billing period. This is done by reviewing the monthly data that is to be sent to the Manager-Affiliate Billing and copies of the bills (affiliate billing detail) when they are received.
4. Advises the Manager-Affiliate Billing in writing of early contract termination, renegotiation of terms, or changes in Contract Administrator prior to the 1st workday of the month in which billing (for the services) would normally occur.
5. Coordinates with the Manager-Affiliate Billing and the appropriate affiliate to resolve billing and payment problems.

**Manager-Affiliate Billing**

1. Analyzes and edits all forms.
2. Prepares and issues bills for each affiliate for which contract billing is applicable. Includes late payment charges, if applicable.
3. Prepares journalization for billed amounts.
4. Receives payments and tracks bills paid.
5. Provides billing details to Contract Administrators via copies of Bills and Summary Reports.
6. Coordinates with Area Manager-Affiliate Services and/or Contract Administrator to ensure accurate and timely billing and the proper application of late payment charges.

NOTE: \*\* Forms SW-2680, SW-2681 and SW-2681T all have a retention period of 10 years according to the August 1994 Operating Practice 47. Therefore, all backup documentation associated with these forms must also be retained the 10-year period.

**PROPRIETARY**

**Area Manager-Affiliate Transactions**

1. Coordinates with Area Manager-Affiliate Services, Contract Administrators and the Manager-Affiliate Billing to develop methods and procedures for the affiliate billing.
2. Administers the Affiliate Billing Systems.

**PROPRIETARY**

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## BILLING INFORMATION

### Contract Information

The Contract Administrator is responsible for the preparation of Form SW-2680 which must be completed after receiving an approved and signed pricing addendum from Manager-Affiliate Services. Instructions for completing this form and an exhibit of this form are in Sections III and IV. The completed Form SW-2680 and the pricing addendum should be forwarded to the Manager-Affiliate Billing, One Bell Center, 38-S-3, no later than the first workday of the month in which billing is to begin. One SW-2680 must be prepared for each contract schedule and addendum. Form SW-2680 must be prepared and submitted before Forms SW-2681 and SW-2681T can be processed. Instructions for completing forms SW-2681 & SW-2681T and exhibits of these forms are in Attachment 5, Sections V and VI.

### Revenue Distribution

Billed amounts are journalized as revenue or income rather than a reduction in expense. The revenue or income is distributed in the same manner as the expense was incurred. For example, if all of a service is performed in one state, all the revenue or income are distributed back to that state. In addition, related revenue and income for General Headquarters expenses incurred while providing a service is prorated back to the states using the same percentages used for the expense prorate. Revenue and income are journalized in the state in which the expenses are journalized. Revenue and income are journalized to the State Location Code and the Responsibility Code of the appropriate Market Area Vice President(s).

The Contract Administrator must indicate the appropriate revenue or income distribution on Form SW-2680 for each schedule and addendum.

Income from the Furniture lease addenda is credited to Account 7360, Other Nonoperating Income, Miscellaneous Income. Revenue from floor space lease addenda is journalized to Account 5240.21, Rent Revenue-Land and Space in Buildings. All other revenue is journalized to Account 5264.29, Other Incidental Regulated Revenue-Interstate-Miscellaneous, to the appropriate company subaccount.

### Units Data

The Contract Administrator must provide units data on Form SW-2681 (on a positive basis.) to the Manager-Affiliate Billing, One Bell Center, 38-S-3, by the fifteenth calendar day of the month following that in which service was provided.

### Cancellation

If it is necessary to cancel billing because of early termination of a contract schedule and/or addendum, the Contract Administrator must advise the Manager-Affiliate Billing in writing by the first workday of the month in which the last bill is to be rendered.

## PROPRIETARY

## Changes

When changes are made in the contract terms that affect billing or when a contract is renewed, a new Form SW-2680 must be submitted to the Manager-Affiliate Billing by the first workday following the month in which the new addendum becomes effective. All changes to addenda must be approved and signed by representatives of SWBT and the affiliate for which the contract is applicable.

When the Contract Administrator's responsibilities are transferred (because of personnel changes, reorganization, etc.), the new or existing Contract Administrator must inform the Manager-Affiliate Billing in writing as soon as the transfer is effective. Forms signed by or for one other than the Contract Administrator on record will not be processed without said notice.

## AFFILIATE BILLS

### Bills

The monthly bills sent to the affiliates contain four sections. They are:

- 1) The Summary of Charges and Journalization which is a summary of the amounts billed, payments made and journalization for the current month. (See Attachment 5, Page 7.)
- 2) The monthly bill which contains the total current monthly charges plus any adjustments made the current month for each schedule and addendum. (See Attachment 5, Page 8.)
- 3) The year-to-date statement which reflects charges through the current month (See Attachment 5, Page 9). The totals are based on services performed January through December which appear on bills dated February through January.
- 4) The Billing Detail and Billing Adjustment Detail statement which reflects the current month billing of units, the unit price and total for each item billed and displays the month adjusted if the units are applicable to a previous month. (See Attachment 5, Page 10.)

**NOTE:** If the affiliate requires data other than the billing detail referred to above, the Contract Administrator makes the necessary arrangements and forwards the data directly to the affiliate.

## PROPRIETARY

SOUTHWESTERN BELL TELEPHONE  
SUMMARY OF CHARGES AND JOURNALIZATION  
Southwestern Bell Publications, Inc.  
December 22, 1994

SUMMARY OF CHARGES

1. Balance Due From Previous Month	7,229.24
2. Payments Received	7,229.24
3. Outstanding Balance (L.1 - L.2)	.00
4. Current Charges	10,227.83
5. Federal, State And Local Taxes	813.76
6. Total Current Billing (L.4 + L.5)	11,041.59
7. Late Payment Charges	.00
8. Balance Due (L.3 + L.6 + L.7)	11,041.59

SUMMARY OF JOURNALIZATION

A. Current Month Billing (L.6 + L.7)	11,041.59
B. Current Month Accrual (Current Month Billing Less Adjustments to Prior Month Billing)	10,489.40
C. Reversal Of November Accrual	9,937.21
D. Net Monthly Total (A + B - C)	11,593.78

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SOUTHWESTERN BELL TELEPHONE

Remit payment to:  
Southwestern Bell Telephone  
One Bell Center, 38-R-7  
St. Louis, MO 63101-3099  
Attn: Dist. Mgr.-State Reg. Issues

December 22, 1994  
Account 1190.1R  
Number CB124750  
Page 01

Norma Martinez  
Supervisor-Administrative Services  
Southwestern Bell Publications, Inc.  
7500 West 110 Street  
Overland Park, KS 66210

For services provided and adjustments applied under contract  
during the month of November 1994

SCHEDULE/ ADDENDUM NUMBER	SCHEDULE/ADDENDUM TITLE	ADDENDUM AMOUNT	SCHEDULE AMOUNT
037	Interlata Communications Svcs.		
037001	SWETN Message Charge	10,227.83	
	Federal taxes	306.85	
	Sales/Use taxes	506.91	
	Total		11,041.59

Current month charges due January 23, 1995

11,041.59

Payments received after payment due date are subject to late payment penalty

PROPRIETARY

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Southwestern Bell Telephone Company  
Operating Practice No. 125  
Nontariffed Activities and Affiliate Transaction

Attachment 5  
Page 9  
March 1995

SOUTHWESTERN BELL TELEPHONE

Southwestern Bell Publications, Inc.

Total Charges-  
Year To Date  
Page 01

For services provided and adjustments applied under contract  
as of November 1994 journalized thru December 1994.

SCHEDULE/ ADDENDUM NUMBER	SCHEDULE/ADDENDUM TITLE	ADDENDUM AMOUNT	SCHEDULE AMOUNT
-----	-----	-----	-----
037	Interlata Communications Svcs.		
037001	SWETN Message Charge	131,717.21	
	Federal taxes	3,263.07	
	Sales/Use taxes	4,370.69	
	TOTAL		139,350.97
	Late Payment Charges		381.58
	Total Charges		----- 139,732.55

PROPRIETARY

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Telephone Company except under written agreement.

December 22, 1994  
 Account 1190.1R  
 Page 1

SOUTHWESTERN BELL TELEPHONE

Billing detail and billing adjustment detail for Southwestern Bell Publications, Inc.  
 For services provided and adjustments applied in November 1994  
 Journalized in December 1994

CONTRACT SCHEDULE	NO. OF UNITS	PRICE PER UNIT	DESCRIPTION	MONTH ADJUSTED	AMOUNT	TOTAL CONTRACT
037001	4,128	0.075	Per Minute SWETN Message Charge-Domestic	Oct '94	309.60	
	125,723	0.075	Per Minute SWETN Message Charge-Domestic		9,429.23	
	135	1.50	Per Minute SWETN Message Charge-Internat'l	Oct '94	202.50	
	191	1.50	Per Minute SWETN Message Charge-Internat'l		286.50	
			Federal Tax		306.85	
			Sales/Use Taxes		506.91	
			Total 037001			11,041.59
			Current Month Charges			10,529.49
			Total Adjustments			512.10
				October '94	512.10	
				Total Adjustments 1994		512.10

Questions concerning detail should be directed to the appropriate contract administrator assigned to the contract schedule.

PROPRIETARY

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 Telephone Company except under written agreement.

Instruction for Preparation of Form SW-2680

**AFFILIATE BILLING DATA**

- A) Enter the three-digit schedule and the three-digit addendum number, e.g., 017-004.
- B) Enter the schedule title, e.g., Official Communications Services.
- C) Enter the addendum title, e.g., Official Directory Services.
- D) Enter the date the prices on the attached pricing addendum are effective in the "from" date space and the date through which the prices will be effective in the "to" space (normally 12/31 of the current year). Note: The date the prices are effective is not necessarily the date the pricing addendum is signed by the Affiliate or Area Manager-Affiliate Services.
- E) Place an X on the line in front of each affiliate that will be affected by the attached addenda/addendum. Spaces have been provided for affiliates that may be added after the form is introduced. One Form SW-2680 may be prepared with several companies marked and the pricing addenda for each of the appropriate companies attached.
- F) Enter the percent of the billing to be distributed to each state and/or General Headquarters if the distribution is to be a fixed distribution, e.g., 11% Arkansas, 13% Kansas, 20% Missouri, 15% Oklahoma, 30% Texas, and 11% General Headquarters, or nothing to the states and 100% General Headquarters. If a percent is entered in the General Headquarters space, the proper prorate type percentage must be entered, e.g., 100% A5, or 50% AS and 50% AY.\* A space has been provided for a prorate type different than those shown. If the billed amounts are to be distributed to the states only, as shown on the SW-2681, entries in this area are not necessary. Refer to Attachment 5, Pages 14 through 16, for more detailed information.
- G) Enter the percent of the billing to be distributed to each state and/or Midwest (MID) if the distribution is to be a fixed distribution, e.g., 11% Arkansas, 26% Kansas, 30% Missouri, 20% Oklahoma, and 24% MID, or nothing to the states and 100% MID. If a percent is entered in the MID space, the proper prorate type percentage must be entered, e.g., 100% A5, or 50% AS and 50% AY.\* A space has been provided for a prorate type different than those shown. If the billed amounts are to be distributed to the states only, as shown on the SW-2681, entries in this area are not necessary. Refer to Attachment 5, Pages 14 through 16, for more detailed information.

The Prorate Type is determined by identifying the Function Code of the person performing the work, then locating the correct Main Account associated with this Function Code. (These codes can be found in the SATRN – Account and Expenditure Dimension Guide.) After Main Account is determined, locate the appropriate Prorate Type Table (Section IV, pages 15 and 16) and match the proper Prorate Type applicable to the Main Account.

**PROPRIETARY**

- H) The Contract Administrator should enter the date, his/her title, telephone number, address and then sign on the signature line.
- I) Attach the pricing addendum/addenda to the completed Form SW-2680 and forward the data to the Manager-Affiliate Billing, One Bell Center, 38-S-3.

**PROPRIETARY**

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## AFFILIATE BILLING DATA

Retain 10 Years, until \_\_\_\_\_

SCHEDULE AND ADDENDUM NUMBER \_\_\_\_\_

SCHEDULE TITLE \_\_\_\_\_

ADDENDUM TITLE \_\_\_\_\_

CONTRACT PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

AFFILIATE TO BE BILLED \_\_\_\_\_ (030) SOUTHWESTERN BELL PRINTING COMPANY  
\_\_\_\_\_ (200) SBC ASSET MANAGEMENT, INC.  
\_\_\_\_\_ (400) SOUTHWESTERN BELL TECHNOLOGY RESOURCES, INC.  
\_\_\_\_\_ (500) SBC MANAGEMENT SERVICES, INC.  
\_\_\_\_\_ (625) SOUTHWESTERN BELL MESSAGING SERVICES, INC.  
\_\_\_\_\_ (680) SBC INTERNATIONAL, INC.  
\_\_\_\_\_ (700) SOUTHWESTERN BELL MOBILE SYSTEMS, INC.  
\_\_\_\_\_ (750) SOUTHWESTERN BELL PUBLICATIONS, INC.  
\_\_\_\_\_ (800) SOUTHWESTERN BELL YELLOW PAGES, INC.  
\_\_\_\_\_ (900) SOUTHWESTERN BELL TELECOMMUNICATIONS, INC.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### DISTRIBUTION OF INCOME AND REVENUE:

#### GHQ

Enter Percentages for Fixed Distribution to One or More States or One or More States and GHQ or GHQ Only:

Arkansas \_\_\_\_\_ % Kansas \_\_\_\_\_ % Missouri \_\_\_\_\_ % Oklahoma \_\_\_\_\_ % Texas \_\_\_\_\_ % GHQ \_\_\_\_\_ %  
Enter GHQ Prorate Percentage(s) A5 \_\_\_\_\_ %  
A6 \_\_\_\_\_ %  
AY \_\_\_\_\_ %  
\_\_\_\_\_ %  
\_\_\_\_\_ %

#### MIDWEST (LOCATION CODE AA0170 ONLY)

Enter Percentages for Fixed Distribution to One or More States or One or More States and Midwest (MID) or Midwest (MID) Only:

Arkansas \_\_\_\_\_ % Kansas \_\_\_\_\_ % Missouri \_\_\_\_\_ % Oklahoma \_\_\_\_\_ % MID \_\_\_\_\_ %  
Enter MID Prorate Percentage(s) A5 \_\_\_\_\_ %  
A6 \_\_\_\_\_ %  
AY \_\_\_\_\_ %  
\_\_\_\_\_ %  
\_\_\_\_\_ %

#### APPROVED BY (SIGNATURE):

CONTRACT ADMINISTRATOR \_\_\_\_\_ DATE \_\_\_\_\_

TITLE \_\_\_\_\_ TELEPHONE NUMBER \_\_\_\_\_

ADDRESS \_\_\_\_\_

NOTE: ATTACH COPY OF SIGNED CONTRACT OR PRICING ADDENDUM

FOR INTERNAL USE ONLY

☐ Official File Copy, If Checked in Red

**PROPRIETARY**

SW-2680  
(Rev. 6-94)

## REVENUE AND INCOME DISTRIBUTION

### State or General Headquarters and State or MID

Revenue and income generated from services provided by a state are journalized in the state in which the corresponding expense was journalized. Revenue and income are prorated back to the states in the same manner in which the expense was prorated. If General Headquarters or MID costs were included in the cost study to determine the price, a proportionate amount of the revenue and income must be designated as General Headquarters or MID and prorated back to the states in which the costs were booked. When services are performed by states and General Headquarters or by states and MID, several circumstances could arise that dictate different ways of handling the revenue.

Separate sections are provided on Forms SW-2680 to report revenue distribution for General Headquarters or MID. Only employees of Midwest with a location code of AA0170 should report revenue distribution under the MID section. This is to ensure that the revenue for General Headquarters is prorated to all five states when a General Headquarters prorate type is used; and, the revenue for MID is prorated to Arkansas, Kansas, Missouri and Oklahoma when a MID prorate type is used.

### Data Provision

The Contract Administrator must review each contract schedule and addendum and determine the correct and appropriate revenue distribution. This information must be provided to the Manager-Affiliate Billing, One Bell Center, 38-S-3, on Form SW-2680 for use in journalizing billed amounts.

The Contract Administrator must categorize each contract schedule and addendum by the section(s) providing the service and determine which of the following situations applies to each service:

#### Situation 1) One state

If the work performed in one state, or expenses are to be absorbed by one state, then the units must be reported in the same manner. All revenue generated goes back to that state. Revenue distribution is not necessary. DO NOT COMPLETE the revenue and income distribution part of the SW-2680.

#### Situation 2) More than one state

If the work performed in more than one state, or expenses are to be absorbed by more than one state, then the units must be reported in the same manner.

## PROPRIETARY

- a) Flat Rate per billing period - percent to journalize in each state must be determined. Revenue and income distribution is necessary. Complete the revenue and income distribution\* part of the Form SW-2680.
- b) Flat Rate per unit - revenue that goes to each state can be determined by the price per unit and the number of units provided by each state. Revenue and income distribution is not necessary. Do not complete the revenue and income distribution part of the Form SW-2680.

**Situation 3) General Headquarters only or MID only**

If the work performed in General Headquarters or Midwest headquarters or expenses are to be absorbed by General Headquarters or Midwest headquarters, then the units must be reported in the same manner. All revenue and income must be prorated back to the states. The General Headquarters or MID prorate types and the percent of revenue and income to be prorated using each prorate type must be determined for revenue and income distribution. \* Complete the appropriate revenue and income distribution part of the Form SW-2680.

**Situation 4) States(s) and General Headquarters or State(s) and MID**

If the work performed in General Headquarters Midwest or headquarters and one or more states, or expenses are to be absorbed by General Headquarters or Midwest headquarters and one or more states, then the units must be reported in the same manner.

- a) Separate Prices (flat rate per unit or billing period) - revenue or income can be separately identified because prices are separately identified on the contract schedule and addendum; the states(s) and General Headquarters or the state(s) and MID receive their appropriate revenue and income. Only the General Headquarters or MID prorate type and the percent of revenue and income to be prorated must be determined for revenue and income distribution. \* Complete the revenue and income distribution part of the Form SW-2680.
- b) One Price
  - 1) Units data individually identified - same as 4A

\* A copy of the study or logic that establishes the revenue distribution must be attached to the SW-2680.

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- 2) Units data not individually identified - determine (1) the percent of revenue or income each state receives and (2) the percent of revenue or income designated General Headquarters or MID, the prorate type(s), and the percent of revenue and income to be prorated using each prorate type. Complete the revenue and income distribution part of the form.

If the manner in which the revenue or income is to be disbursed is not known, contact your cost studies representative. They have agreed to help each Contract Administrator determine an equitable revenue and income split.

The General Headquarters and MID Prorate Type Tables identify the General Headquarters and MID prorate types associated with the departmental expense accounts. (See Pages 17 and 18, respectively.)

**PROPRIETARY**

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